

MUNICIPALITY OF BIFROST-RIVERTON

BY-LAW 9-2018

Being a By-law to Authorize the Municipality of Bifrost-Riverton to enter into a Lease Agreement with RCAP Leasing Inc. for 4 Sets of Turnout Gear and Balaclava Hoods, 12 Self-Contained Breathing Apparatus Sets, 36 Tanks, 26 Masks, 12 Spare Batteries, and 2-6 Bank Chargers.

WHEREAS *The Municipal Act* provides, in part, as follows:

Section 172 “In this Division, “**borrowing**” means the borrowing of money, and includes...

(c) a lease of capital property with a fixed term beyond three years or a fixed term of less than three years but with a right of renewal that would, if exercised, extend the original term beyond three years....

“**borrowing by-law**” means a by-law referred to in clause 174(1)(a).”

Section 174(1) “A municipality may make a borrowing only if

(a) the borrowing is authorized by by-law; and

(b) subject to subsection (2), the borrowing is set out as a debt obligation in the operating budget or capital budget or it is made to fund an expenditure authorized under subsection 169(5).”

Section 174.1(1) “The Council must give public notice before giving first reading to a borrowing by-law that authorizes the municipality to

(a) issue debentures; and

(b) use the money borrowed to fund a capital project that has been included in the financial plan adopted under section 162.”

AND WHEREAS the Council of the Municipality of Bifrost-Riverton is desirous of entering into a lease agreement for **4 Sets of Turnout Gear and Balaclava Hoods, 12 Self-Contained Breathing Apparatus Sets, 36 Tanks, 26 Masks, 12 Spare Batteries, and 2-6 Bank Chargers;**

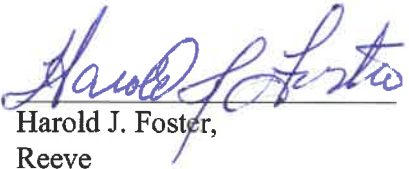
AND WHEREAS, in order to complete such leasing agreement, it will be necessary for the Municipality of Bifrost-Riverton to enter into an agreement with **RCAP Leasing Inc.** for the sum of **\$201,707.40**, payable in the amount of **\$3,361.79 per month**, for an annual total of **\$40,341.48, plus applicable taxes**, for a period of **5 years (60 months);**

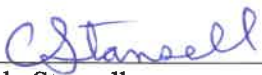
AND WHEREAS the amount of the existing debenture debt of the Municipality of Bifrost-Riverton is \$408,119.34, of which no portion of the principal or of the interest thereon is in arrears;

NOW THEREFORE the Council of the Municipality of Bifrost-Riverton enacts as follows:

1. **That** the Municipality of Bifrost-Riverton is hereby authorized to enter into a lease agreement and shall be signed by the Reeve and by the Chief Administrative Officer, and there shall be affixed thereto the corporate seal of the said municipality;
2. **That** the Lease Agreement and its terms and conditions shall form part of this By-law and be attached as **Schedule "A"**.
3. **That** during the term of the said lease, namely, in each of the years **2018 to 2023**, both inclusive, there shall be raised allocated sufficient funds annually in the Arborg-Bifrost Fire Capital Reserve Fund to provide for the requirements.

DONE AND PASSED in open Council assembled by the Municipality of Bifrost-Riverton at Arborg in the Province of Manitoba this 10th day of October, 2018.


Harold J. Foster,
Reeve


Cindy Stansell,
Chief Administrative Officer

Read a first time this 11th day of July, 2018.

Read a second time this 10th day of October, 2018.

Read a third time this 10th day of October, 2018.

September 13, 2018

Chief Administrative Officer
Municipality of Bifrost-Riverton
Box 70
Arborg MB R0C 0A0

Dear Chief Administrative Officer:

**RE: MUNICIPALITY OF BIFROST-RIVERTON - BY-LAW NO. 9-2018
FILE NO. 18E7-0026**

We enclose for your information a copy of Municipal Board Order No. E-18-149 together with the By-law.

The fee of \$50.00 is now due and payable on the By-law.

Please provide the Board with a Certified copy of the By-law after 3rd reading, including all Schedules.

Please quote our File Number on all correspondence.

Yours truly,



Brenda Loewen
Secretary

BL/an/enclosures

c: Jesse Oyugi, Municipal Finance Officer

THE MUNICIPAL BOARD OF MANITOBA
DECISION AND ORDER

DECISION DATE: September 13, 2018

Order No. E-18-149
File No. 18E7-0026

PANEL: Lori Lavoie, Vice Chair
Michael Kowalson, Member

MUNICIPALITY OF BIFROST-RIVERTON - BY-LAW NO. 9-2018

The Municipality of Bifrost-Riverton (the "Municipality") submits By-law No. 9-2018 (the "Proposed By-law") under Section 176 of *The Municipal Act* for the Board's review and approval. The Proposed By-law was received on September 11, 2018.

The Proposed By-law attached as Appendix "A", authorizes entering into a 5-year lease effective June 21, 2018 to lease the following firefighting equipment:

- 4 sets of turnout gear and balaclava hoods
- 12 self-contained breathing apparatus sets
- 36 tanks
- 26 masks
- 12 spare batteries
- 2-6 bank chargers

The estimated cost is \$201,707.40. The annual payment of \$40,341.48 will be recovered from the Municipality of Bifrost-Riverton General Operating Fund.

The financial data presented to the Board indicates that the Municipality presently has an Authorized Debt to Municipal Assessment Ratio of 2.33% and a Debt Charge to Current Revenue Ratio of 10.64%. If this Proposed By-law is approved, the ratios will increase to 2.44% and 11.35% respectively, which are within the Board's guidelines of 7% and 20%.

In dealing with the Proposed By-law, the Board must look at its duty which is set out in Section 64 of *The Municipal Board Act*, which states:

Duty of board

64 In dealing with an application the board shall consider

- (a) the nature of the work, undertaking, or object proposed;**
- (b) the necessity or expediency thereof;**

- (c) the financial position of the local authority; and
 - (d) any other relevant matters;
- and may refuse the application or require the local authority to vary the application, or may grant the application in whole or in part, or subject to conditions.

The Board is satisfied that leasing firefighting equipment is needed and that it is expedient to enter into the lease. The Board also is satisfied that the Municipality has the financial capacity to undertake the proposed borrowing and to manage its current debt.

The Board finds the Proposed By-law is reasonable.

THEREFORE, THE BOARD ORDERS THAT:

1. Municipality of Bifrost-Riverton By-law No. 9-2018 **BE APPROVED**, subject to the following amendment:
 - (a) At the end of the first "Whereas" Clause, insert the following:

"174.1(1) The Council must give public notice before giving first reading to a borrowing by-law that authorizes the municipality to


 - (a) issue debentures; and
 - (b) use the money borrowed to fund a capital project that has been included in the financial plan adopted under section 162."
2. A filing fee of \$50.00 be paid by the Municipality of Bifrost-Riverton.

FOR THE MUNICIPAL BOARD

September 13, 2018
Date



Lori Lavoie, Vice Chair



Brenda Loewen, Secretary

MUNICIPALITY OF BIFROST-RIVERTON

BY-LAW 9-2018

Being a By-law to Authorize the Municipality of Bifrost-Riverton to enter into a Lease Agreement with RCAP Leasing Inc. for 4 Sets of Turnout Gear and Balaclava Hoods, 12 Self-Contained Breathing Apparatus Sets, 36 Tanks, 26 Masks, 12 Spare Batteries, and 2-6 Bank Chargers.

WHEREAS *The Municipal Act* provides, in part, as follows:

Section 172 "In this Division, "**borrowing**" means the borrowing of money, and includes...
(c) a lease of capital property with a fixed term beyond three years or a fixed term of less than three years but with a right of renewal that would, if exercised, extend the original term beyond three years....
"**borrowing by-law**" means a by-law referred to in clause 174(1)(a)."

Section 174(1) "A municipality may make a borrowing only if
(a) the borrowing is authorized by by-law; and
(b) subject to subsection (2), the borrowing is set out as a debt obligation in the operating budget or capital budget or it is made to fund an expenditure authorized under subsection 169(5)."

AND WHEREAS the Council of the Municipality of Bifrost-Riverton is desirous of entering into a lease agreement for **4 Sets of Turnout Gear and Balaclava Hoods, 12 Self-Contained Breathing Apparatus Sets, 36 Tanks, 26 Masks, 12 Spare Batteries, and 2-6 Bank Chargers;**

AND WHEREAS, in order to complete such leasing agreement, it will be necessary for the Municipality of Bifrost-Riverton to enter into an agreement with **RCAP Leasing Inc.** for the sum of **\$201,707.40**, payable in the amount of **\$3,361.79 per month**, for an annual total of **\$40,341.48, plus applicable taxes**, for a period of **5 years (60 months)**;

AND WHEREAS the amount of the existing debenture debt of the Municipality of Bifrost-Riverton is **\$408,119.34**, of which no portion of the principal or of the interest thereon is in arrears;

NOW THEREFORE the Council of the Municipality of Bifrost-Riverton enacts as follows:

1. **That** the Municipality of Bifrost-Riverton is hereby authorized to enter into a lease agreement and shall be signed by the Reeve and by the Chief Administrative Officer, and there shall be affixed thereto the corporate seal of the said municipality;
2. **That** the Lease Agreement and its terms and conditions shall form part of this By-law and be attached as **Schedule "A"**.

3. That during the term of the said lease, namely, in each of the years **2018 to 2023**, both inclusive, there shall be raised allocated sufficient funds annually in the Arborg-Bifrost Fire Capital Reserve Fund to provide for the requirements.

DONE AND PASSED in open Council assembled by the Municipality of Bifrost-Riverton at Arborg in the Province of Manitoba this th day of, 2018.

Harold J. Foster,
Reeve

Cindy Stansell,
Chief Administrative Officer

Read a first time this 11th day of July, 2018.

Read a second time this th day of , 2018.

Read a third time this th day of , 2018.

Approved, subject to Amendment

By Order No. E-18-149
of The Municipal Board

B. Brewer

Secretary

TERMS & CONDITIONS OF LEASE

1. **NON-CANCELLABLE CONTRACT.** This Lease Contract cannot be cancelled except as expressly provided for herein.
2. **RENTAL.** Lessee shall pay to Lessor on the first day of each payment period the periodic rental amount set forth herein. The first rental payment is due upon execution of this Lease Contract by Lessee. If the rental payment includes the cost of a service contract, Lessee agrees to increase the rental payment by the amount of any increase in the cost of such service contract as may be imposed by the supplier thereof during the Term of this Lease Contract. Lessee hereby agrees to pay a daily rental for the period from the date of delivery and installation of the Equipment to the Lease Commencement Date calculated based upon the full periodic rental amount pro-rated to the number of days in such period. Lessee's obligation to pay rent and its other obligations under this Lease Contract are not subject to any abatement, set-off, defense, reduction or counter-claim for any reason whatsoever.
3. **DEPOSIT.** If requested by Lessor, Lessee shall deposit with Lessor simultaneously with the first rental payment, a non-interest bearing deposit which will be refunded to Lessee upon the expiry of this Lease Contract provided that Lessee has made all payments to Lessor, rent and otherwise, as required by the terms of this Lease Contract. Lessor shall retain, as a genuine pre-estimate by the parties of Lessor's damages and not as a penalty, any advance payment made by Lessee in contemplation of completion of this Lease Contract if the Lease Contract is not finalized for any reason other than the rejection of Lessee's credit application by Lessor.
4. **OWNERSHIP, LOCATION AND USE.** The Equipment remains the property of Lessor and under no circumstances shall title pass to Lessee during the Term of this Lease Contract, except as expressly provided herein. The Equipment shall be located and used at Lessee's place of business as set forth herein and may not be moved without the prior written consent of Lessor. Lessee warrants that the Equipment is being rented and will be used for business and commercial purposes only. Lessee shall, at its own cost and expense, keep Equipment in good repair, condition and working order and shall furnish all parts and servicing as required.
5. **REPRESENTATIONS AND WARRANTIES.** Lessee acknowledges that the vendor, manufacturer and specifications of the Equipment were selected by Lessee for the purpose of this Lease Contract. Lessor makes no warranty, express, implied, or legal, as to any matter whatsoever including the condition of the Equipment, its merchantability or its fitness for any particular purpose and as to Lessor, Lessee is renting the Equipment on an AS IS basis. In no event shall Lessor have any liability for, nor shall Lessee have any remedy against Lessor for, consequential, special, incidental or punitive damages or any loss of profits or savings, loss of use, or any other commercial loss in connection with this Lease Contract and the Equipment. Lessee agrees to indemnify Lessor from any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities arising out of, connected with or resulting from the Equipment. If the Equipment is not properly installed, does not operate as represented or warranted by the vendor or manufacturer of the Equipment or is unsatisfactory for any reason, Lessee shall make any claim on account thereof solely against the vendor or manufacturer of the Equipment and shall nevertheless pay to Lessor all amounts payable under this Lease Contract. Lessee acknowledges that Lessor is not an agent of the manufacturer or vendor of the Equipment and that the vendor and manufacturer of the Equipment are not agents of Lessor. To the extent that they are assignable, all warranties from the vendor and manufacturer in respect of the Equipment are hereby assigned to Lessee. Lessee acknowledges that its name has not been set out in its official formation filings in its jurisdiction of organization, in an English form and a French form, or in a combined English and French form.
6. **EQUIPMENT TO REMAIN PERSONAL PROPERTY.** Lessor and Lessee hereby agree that the Equipment shall always remain and be deemed personal or movable property even though the Equipment may hereafter become attached or affixed to realty. Lessee shall be responsible for the installation and removal of the Equipment and shall indemnify and save Lessor harmless from any damage to any real estate, building or structure arising from the installation or removal of the Equipment. Lessee shall not, without the prior written consent of Lessor, make any alterations, additions or improvements to the Equipment. All such alterations, additions and improvements shall become part of the Equipment and shall be the property of Lessor. Lessor shall have access to the Equipment at all reasonable times for the purpose of inspecting the Equipment.
7. **LAWS, TAXES AND FEES.** Lessee shall, at its sole expense, comply with all laws, regulations and orders relating to this Lease Contract and the Equipment and agrees to pay when due all license fees, assessments and all other taxes or penalties and interest now or hereafter imposed in respect of the Equipment, its use or any interest therein, or any rental payments, including, but not limited to, all federal, provincial or local taxes however designated, levied or assessed, whether upon Lessee, Lessor or the Equipment or its sale, lease, ownership, use or operation (but excluding income and capital taxes of Lessor). Lessee acknowledges that Lessor may file a financing statement or similar registration with respect to this Lease Contract so as to give notice to any interested parties. To the extent permitted by law, Lessee agrees to waive all rights to notice as may be applicable under any such registration of this Lease Contract, including without limitation, notice of any financing statement, financing change statement, amendment or verification statement evidencing any such financing statement, financing change statement or amendment. Lessee agrees to pay to Lessor a minimum documentation fee of \$100.00 to be billed with the first rental payment to cover the account set-up administration and registration costs of Lessor. Lessee also agrees to pay a fee of \$5.00 for each rental invoice, notice or statement produced and sent to Lessee should payment hereunder, for whatever reason, not be made by pre-authorized means.
8. **ASSIGNMENT.** Lessee agrees not to transfer, sell, assign, sublet, pledge or encumber either the Equipment of any part of the Equipment or any rights or obligations under this Lease Contract without the prior written consent of Lessor and, notwithstanding Lessor's consent, Lessee, its heirs, executors, liquidators, administrators, successors, trustees and assigns and any guarantor shall remain jointly and severally liable (or solitarily liable if the laws of the Province of Québec apply) under this Lease Contract together with Lessee's assignee or sub-lessee. Lessor shall be paid a minimum fee of \$400.00 on account of its processing costs associated with an assignment or sub-lease. Lessor may at any time assign all or part of its right, title and interest in this Lease Contract and the Equipment and Lessor may grant security interests in the Equipment subject to Lessee's rights therein as set forth in this Lease Contract and, in such events, all of the provisions of this Lease Contract for the benefit of Lessor shall inure to the benefit of Lessor's assignee but such assignee shall not be liable for or be required to perform any of Lessor's obligations to Lessee. All rental payments due and to become due under this Lease Contract and assigned by Lessor shall be paid directly to Lessor's assignee upon written notice of such assignment to Lessee and the right of such assignee to the payment of assigned rentals and the performance of all Lessee's obligations and to exercise any other rights of Lessor hereunder shall not be subject to any defense, counterclaim or set-off which Lessee may have or assert against Lessor and Lessee hereby agrees that it will not assert any such defenses, set-offs or counterclaims and claims against Lessor's assignee.
9. **TERMINATION AND RENEWAL.** At the termination of this Lease Contract, Lessee may, at its own expense, deliver the Equipment to Lessor at such place as Lessor may designate in writing. The Equipment shall be delivered to Lessor in good order and repair except that ordinary wear and tear shall be accepted. In the case of computer or similar Equipment, Lessee shall remove all confidential data and all passwords and security protection from hard drives and other storage media and shall return such Equipment boxed with units in padded carrying cases or bubble wrap. Lessee shall give Lessor 90 days written notice prior to termination of this Lease Contract of its intention to return the Equipment. If Lessee chooses to return the Equipment upon the termination of this Lease Contract but returns it incomplete, Lessee shall be fully liable to Lessor for the value of the unreturned components as determined by Lessor. If Lessee does not return the Equipment to Lessor upon the termination of this Lease Contract in accordance with the terms of this paragraph, then this Lease Contract shall be automatically renewed for an additional twelve (12) month term subject to the same terms and conditions hereof (including the renewal provision) and the periodic rental payable during such renewal period will be the amount due for the last such period prior to the expiry of the initial Term of this Lease Contract.
10. **INSURANCE.** Lessee assumes the entire risk of loss or damage to the Equipment from any cause whatsoever. No loss or damage to the Equipment or any part thereof, shall affect or impair the obligations of Lessee hereunder which shall continue in full force and effect. Lessee shall obtain and maintain for the entire term of this Lease Contract, at its own expense, insurance against loss or damage to the Equipment including without limitation, loss by fire and theft, naming Lessor as the sole loss payee. The amount of insurance covering damage to or loss of the Equipment shall not be less than the full replacement value of the Equipment. Such insurance and written evidence thereof shall be delivered to Lessor or Lessor's designee upon request and must be satisfactory to Lessor. If Lessee fails to provide such evidence within 60 days of any request to do so, then Lessor shall have the right, but not the obligation, to have Lessor's own insurance placed at Lessee's expense. Lessor may at Lessor's discretion use Lessor's insurance on the Equipment at Lessee's expense until evidence of satisfactory insurance is received by Lessor or Lessor's designee. Lessee's expense shall include the full premium paid for Lessor's insurance (not reduced by any credit or refund or any other amount due or paid to Lessor or Lessor's affiliate with

LEASE CONTRACT# 446021-362530

respect to Lessor's insurance) and any charges or fees of Lessor and of its designees associated with Lessor's insurance. Lessee shall pay such amounts in equal installments allocated to each lease payment plus interest on such amounts at 1.5% per month (18% per annum) or the highest rate permitted by law, whichever is less. In the event that any item of the Equipment shall become lost, stolen, destroyed or damaged beyond repair for any reason, or in the event of any condemnation, confiscation, theft or seizure or expropriation of such item, Lessee shall promptly pay to Lessor an amount equal to (1) the cost that the subject lease is based on and (2) the amount of income earned by Lessor to the date of repudiation as determined by generally accepted and standard accounting principles as they pertain to installment payment transaction and (3) the amount of any sales taxes remitted by Lessor in respect to Lessee's unpaid payments less the total of the rental payments and unencumbered rental deposits, if any, not including sales taxes, made by Lessee.

11. COLLECTION CHARGES. If any part of any sum is not paid when due, Lessee agrees to pay Lessor a late charge of ten dollars (\$10.00) for each month said amount is delinquent, plus interest on the delinquent payment from the due date until paid at the rate of 24% per annum. If a cheque is returned to Lessor by Lessee's bank, Lessee agrees to pay Lessor a charge stipulated at the greater of \$75.00 or the actual bank charges to Lessor.

12. NOTICE. Until Lessor and Lessee notify each other of any new address in writing, any invoice or notice required by this Lease Contract or by law is validly given when mailed postage prepaid by first class mail to the address provided herein, subject to applicable law. Lessor and Lessee hereby agree that all documents, including this Lease Contract, sent by facsimile or other means of electronic transmission to the other party shall be considered original documents.

13. DEFAULT; REMEDIES. If Lessee fails to pay any rent or other amount herein provided within five (5) days after it is due and payable, or if Lessee fails to observe, keep or perform any other provision of this Lease Contract, or if Lessee ceases doing business as a going concern, or if a petition is filed by or against Lessee under the Bankruptcy and Insolvency Act (Canada) or any amendment thereto, or if a receiver is appointed for Lessee or its property, or if Lessee becomes insolvent, makes an assignment for the benefit of creditors, offers a composition or extension of any of its indebtedness, or if Lessee, without Lessor's prior written consent, attempts to remove, sell, transfer, encumber, sublet or part with the possession of the Equipment, or if Lessor deems the Equipment to be in jeopardy, or if, in Lessor's determination, a material adverse change occurs in the financial condition, business, operations or prospects of Lessee, then this Lease Contract shall be in default. If the default is not remedied by Lessee within five (5) days of any written notice, then Lessor or its agent shall have the right to exercise any one or more of the following remedies: (a) to declare the entire amount of rent due or to become due under this Lease Contract immediately due and payable, without any further notice or demand to Lessee; (b) to sue for and recover from Lessee an amount equal to the unpaid balance of the rent due and to become due during the term of this Lease Contract; (c) terminate this Lease Contract and (d) to enter upon Lessee's premises, with or without notice, court order or other process of law, to take possession of any or all items of the Equipment without demand or notice wherever same may be located. Upon retaking possession of any or all items of the Equipment, Lessor may, at its option: (i) lease the repossessed Equipment, or any part thereof, to any third party on such terms and conditions as Lessor may determine; or (ii) sell the Equipment, or any part thereof, at a public auction or by private sale on such terms and conditions as Lessor may determine. All net proceeds of the foregoing shall be applied against amounts owing pursuant to the terms of this Lease Contract after deducting all reasonable costs incurred in connection with such disposition. Lessee shall remain liable for any deficiency. Lessee hereby waives any and all damages occasioned by such taking of possession. Any said taking of possession shall not constitute a termination of this Lease Contract and shall not relieve Lessee of its original obligations herein unless Lessor expressly so notifies Lessee in writing. Should any legal proceedings be instituted by Lessor to recover any monies due and to become due herein or for the repossession of the Equipment, Lessee shall be liable for and pay for all reasonable attorneys' fees and costs incurred. Additionally, Lessee shall pay to Lessor as compensation for additional administrative and clerical work, an amount equal to 15% of the total amount payable hereunder. Interest on the total amount payable, at the rate of 18% per annum, will be calculated monthly from the date of default.

14. ENTIRE AGREEMENT. This Lease Contract contains the entire agreement between Lessor and Lessee and may not be modified except by a written agreement properly executed by Lessor and Lessee. Notwithstanding the foregoing, Lessee hereby authorizes Lessor, without further notice, to complete the description of the Equipment including the quantity and serial numbers and other identification data when such is determined, to fill in any blank spaces on this Lease Contract, to date the Lease Contract and to make such other clerical modifications as may be required. This Lease Contract shall be binding upon and inure to the benefit of the parties hereto, their permitted successors and assigns.

15. GOVERNING LAW. This Lease Contract shall be interpreted and enforced in accordance with the laws of the Province wherein the Equipment is located. To the extent permitted by law or statute and to the extent the same extends to and relates to this Lease Contract, Lessee hereby waives the benefit of all provisions of any applicable statutes and regulations made thereunder in any and all provinces of Canada, which would in any manner, affect, restrict, or limit the rights of Lessor hereunder including, without limiting the generality of the foregoing, all of its rights, benefits and protection given or afforded to it by the provisions of The Limitation of Civil Rights Act (Saskatchewan), the Sale of Goods Act (British Columbia) and the Law of Property Act (Alberta) and any amendments thereto. For the purposes of the laws of the Province of Quebec, this Lease Contract shall constitute a contract of leasing pursuant to Article 1842 and seq. of the Civil Code of Québec, provided however during any renewal pursuant to section 9 above, this Lease Contract shall be deemed to constitute a lease pursuant to Article 1852 and seq. of the Civil Code of Québec.

16. CREDIT INVESTIGATION. Lessee hereby consents to Lessor conducting a personal investigation or credit check upon Lessee subject to applicable legislation.

17. ADD-ON EQUIPMENT. Lessee and Lessor agree that additional equipment ("Add-On Equipment") may be leased pursuant to this agreement. The agreement for such Add-On Equipment shall be subject to the terms and conditions of this Lease Contract except as specifically provided in writing. Any such writing, which may include a purchase order issued by Lessee for such Add-On Equipment, shall provide: (1) reference to this Lease Contract; (2) a description of the Add-On Equipment; (3) the Term of such Agreement; (4) the payment frequency and number of payments; and (5) the payment amount for the Add-On Equipment.

18. CONTRACT REPLACEMENT. If Lessee has a rental or lease contract that is being terminated and replaced by this Lease Contract, Lessee hereby acknowledges and consents that the remaining balance of payments and other amounts owing under any such replaced contract are included in the payment amounts due under this Lease Contract.

19. PURCHASE MONEY SECURITY INTEREST AND PROCEEDS. This Lease Contract grants to Lessor a purchase money security interest in the Equipment and in the proceeds of the Equipment of whatever nature and kind and howsoever arising within the meaning of the personal property security acts of any province or territory in Canada in force or to come into force from time to time.

20. CONSENT. Lessee acknowledges that Lessor and its affiliates may use contact, financial and other information about Lessee collected by or provided to Lessor for the purpose of offering other products and services to Lessee that may be of interest. Lessor or its affiliates may communicate with Lessee through various channels, including mail, telephone, computer or any other electronic channel using the most recent contact information provided by Lessee.

21. MISCELLANEOUS. Time is of the essence with respect to this Lease Contract. No waiver by Lessor of any default shall constitute a waiver of any other default by Lessee or waiver of Lessor's rights. If more than one party signs this Lease Contract as Lessee and Co-Lessee, each party shall be jointly and severally liable (or solidarily liable if the laws of the Province of Québec apply). At the Lessor's request, Lessee shall send Lessor its audited and/or unaudited financial statements within fifteen (15) days of such request. Any provision of this Lease Contract which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Customer hereby acknowledges that a referral fee may have been paid by RCAP in connection with the transaction contemplated herein. This Lease Contract and all other documents associated with this Lease Contract and all communications shall be in English. Les parties aux présentes conviennent à ce que ce document et tous autres documents et communications associés seront rédigés en anglais.

22. FACSIMILE OF A SIGNATURE. Lessee and Lessor acknowledge that a facsimile of a signature shall be accepted as an original execution.

RL - 1215

Lease Reference #: 446021-362530

This Schedule "A" forms an integral part of a lease agreement between

Lessee: MUNICIPALITY OF BIFROST-RIVERTON

Co-Lessee:

Lessor: RCAP Leasing Inc.

EQUIPMENT DESCRIPTION

(4) SET TURNOUT GEAR INNO ENERGY GRAY AND (4) BALACLAVA HOOD INNO GRAY 25
SCBA MSA G1 NFPA 2013 4500 PSI A-G1FS421MA2C0LAR, SCBA MSA G1 NFPA 2013 4500 PSI A-G1FS421MA2C0LAR, FACEPIECE MSA G1 4PT LARGE G1FPFL1L401, FACEPIECE G1 SMALL W/ 4PT HARNESS & SMALL NOSE CUP 10156458, CYLINDER CARBON FIBER H-60 REMOTE CONNECTION, BATTERY RECHARGEABLE MSA G1 LITHIUM-ION (CHARGER NOT INCL.),KIT CHARGING STATION F/G1, BAG ULTRA ELITE FACEPIECE BLACK 10126741, TIC MSA EVOLUTION 6000 PLUS CELSIUS A-EV6000-B-1201000, KIT VEHICLE F/TIC EVOLUTION 6000,KIT FILTER ADAPTER ASSY F/G1 FACEPIECE 10144231-SP,CARTRIDGE OPTIFILTER XL TYPE HE PACK/6, FRONT F/HELMET LEATHER CAIRNS NFPA

LESSEE: MUNICIPALITY OF BIFROST-RIVERTON

BY: ☉ _____

CO-LESSEE:

BY: ☉ _____

AGREEMENT TO PURCHASE

In consideration of RCAP® Leasing Inc. ("LESSOR") entering into a Lease Agreement with Lessee: MUNICIPALITY OF BIFROST-RIVERTON ("LESSEE") covering Lease No. 362530 and COMPACTOR (the "EQUIPMENT") both parties acknowledge and agree that this Agreement to Purchase is attached to and forms part of the said Lease Agreement.

1. The LESSOR and the LESSEE hereby covenant and agree that at the expiry of the month 60 of the lease term the LESSEE shall unconditionally purchase from the LESSOR and the LESSOR shall sell to the LESSEE the EQUIPMENT for the purchase price of \$10.00 plus all applicable taxes (collectively, the "PURCHASE PRICE").
2. Transfer of the title to the EQUIPMENT shall be without any warranties or representations whatsoever, either expressed or implied, as to the durability, suitability, quality, or condition of the EQUIPMENT and, notwithstanding the foregoing, transfer of title to the EQUIPMENT shall not be conveyed to the LESSEE if the LESSEE is in default under the said Lease Agreement or if the LESSOR is not receipt of full payment of the PURCHASE PRICE.

Dated this 21 day of June, 2018.

Lease Reference #: 446021 - 362530

Lessee: MUNICIPALITY OF BIFROST-RIVERTON

By: ☉ _____

Co-Lessee:

By: ☉ _____

RCAP LEASING INC.

By: ☉


PRESIDENT